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RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHDC

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SIPDIS

STATE PLS. PASS TO USAID/LAC - K. SIEFERT

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TAGS: [PGOV](#) [PREL](#) [PINR](#) [GT](#)

SUBJECT: OAS SYG INSULZA GIVES BOOST TO PRESIDENT COLOM

REF: A. GUATEMALA 453

[1](#)B. GUATEMALA 478

Classified By: P/E Thomas Carnegie for reasons 1.4 (b)&(d)

[1](#)1. (U) Secretary General of the Organization of American States (OAS) Miguel Insulza visited Guatemala May 24-25 at President Colom's invitation. Insulza's visit, two weeks after the assassination of lawyer Rodrigo Rosenberg and the ensuing scandal (ref A), was designed to express OAS support for Guatemala's democratic institutions and the UN-led International Commission Against Impunity in Guatemala's (CICIG) investigation into the allegations. While in Guatemala, Insulza met with President Alvaro Colom, Vice President Rafael Espada, the leadership of congress, CICIG Commissioner Carlos Castresana, and civil society leaders. All interlocutors agree on the need for a prompt and thorough investigation, led by CICIG, into Rosenberg's allegations of money laundering and murder orchestrated by President Colom, his wife, private secretary and other private sector officials.

[1](#)2. (U) During his visit, Insulza noted publicly that President Colom's international image was solid and expressed confidence that the allegations would not tarnish his reputation. He called on all sectors to stop politicizing the debate and allow CICIG to complete its investigation. He noted that the solution to the political crisis rested in all sectors working together to fortify and develop Guatemala's democratic institutions. Insulza opposed calls from some sectors for President Colom to step down during the ongoing investigation given the lack of evidence supporting his removal. Insulza stated that he did not view the situation as critical, and urged all sides to avoid confrontation and conflict.

[1](#)3. (C) In a meeting with the Ambassador and other diplomats, Insulza privately opined that he thought the root of the political crisis was between Colom's "progressive" government and private sector leaders which he called the most retrograde in Latin America. The political crisis was deeper than the allegations or simple partisan politics and was about the private sector working to maintain power and privileges it had long enjoyed and that were threatened by the Colom's progressive social policy. The Ambassador countered that the private sector had mixed reactions to the Colom government and that the political crisis generated by the Rosenberg killing was much more complex than simply disagreements between the private sector and government.

[1](#)4. (C) Comment: The visit was widely perceived as giving President Colom a vote of confidence from the OAS. Insulza arrived a week after large protests were organized both against and in-favor of President Colom (ref B). Before his

arrival, public outrage as manifested in protests had begun to diminish. CICIG's investigative unit in the Public Ministry has taken over the investigation and details of its direction have not yet emerged. During the visit, President Colom successfully managed to deflect calls from the opposition for a forensic audit of Banrural, the bank at the center of the controversy, but CICIG is likely to investigate at least certain Banrural portfolios. The USG and international community continue to call for a complete, prompt and impartial investigation of the charges.

McFarland